STAND. COM. REP. NO. 2489

Honolulu, Hawaii

FEB 2 7 2014

RE: S.B. No. 2475

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and Judiciary and Labor, to which was referred S.B. No. 2475 entitled:

"A BILL FOR AN ACT RELATING TO ASSISTING UNLICENSED CONTRACTORS,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify that a contractor licensee who aids and abets an unlicensed contractor may be subject to additional discipline by the Contractors License Board.

Your Committees received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Contractors License Board, Subcontractors Association of Hawaii, Building Industry Association of Hawaii, Hawaii Island Contractors' Association, and Hawaii Laborers' Union.

Your Committees find that the Contractors License Board has determined that aiding and abetting an unlicensed contractor under section 444-9.3, Hawaii Revised Statutes, only applies to criminal conduct and penalties and is outside the scope of administrative proceedings. Since aiding and abetting conduct often occurs outside of a contract, the Regulated Industries Complaints Office is unable to administratively prosecute violations of section 444-9.3, Hawaii Revised Statutes, as written.

Your Committees further find that this measure enables the Regulated Industries Complaints Office to pursue, and authorizes

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the Contractors License Board to take, disciplinary action against contractor licensees who aid and abet unlicensed contractors. This measure will also enhance enforcement and consumer protection efforts by dissuading licensed contractors from recommending unlicensed contractors to unwitting consumers.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2475 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection and Judiciary and Labor,

CLAYTON HEE, Chair

ROSALYN H. BAKER, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee		Da	te: _ /	$\langle . \rangle$				
SB 2475	CPN	JDL		7/1	1/14				
The committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
BAKER, Rosalyn H. (C)		<u> </u>							
TANIGUCHI, Brian T. (VC)									
NISHIHARA, Clarence K.									
WAKAI, Glenn									
SLOM, Sam									
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TOTAL		4		Ø					
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
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*Only one measure per Record of Votes

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:* Com	mittee Referr	e Referral: Date: 2/11/14						
The committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		e Aye (WR)	Nay	Excused			
HEE, Clayton (C)								
SHIMABUKURO, Maile S.L. (VC)								
GABBARD, Mike								
GALUTERIA, Brickwood								
IHARA, Jr., Les								
SOLOMON, Malama	L	/						
SLOM, Sam	· ·							
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TOTAL								
Recommendation: Adopted			Not Adopted					
Chair's or Designee's Signature:								
Distribution: Original File with Committee Report	Yellow Clerk's Office							

*Only one measure per Record of Votes